

## Message Text

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ACTION ARA-10

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FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC IMMEDIATE 3102

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

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C O N F I D E N T I A L TEGUCIGALPA 1929

E.O. 11652: GDS

TAGS: ELAB, ENID, HO

SUBJECT: NORTH COAST LABOR FEDERATION CONVENTION

REF: (A) TEGUCIGALPA 1585 (DTG 252210Z MAR 76 (NOTAL),

(B) TEGUCIGALPA 1513 (DTG 222105Z MAR 76),

(C) TEGUCIGALPA 1474 (DTG 182126Z MAR 76),

(D) TEGUCIGALPA 0551 (DTG 031525Z FEB 76),

(E) 75 TEGUCIGALPA 5303 (DTG 112153Z DEC 75)

BEGIN SUMMARY: THE CONVENTION OF THE NORTH COAST LABOR FEDERATION (FESITRANH) WAS HELD IN SAN PEDRO SULA APRIL 9-11, 1976. CONTRARY TO EXPECTATIONS AND REPORTED PLANS, THE COMMUNIST-CONTROLLED UNIONS WITHIN THE FESITRANH DID NOT ATTEMPT TO TAKE OVER THE FEDERATION AND IN FACT SUPPORTED THE CURRENT LEADERSHIP. THE CHANGE IN PLANNED COMMUNIST TACTICS IS PROBABLY DUE TO SEVERAL EVENTS WHICH TOOK PLACE FOLLOWING REFTEL B. THE FESITRANH CONVENTION ALSO NOMINATED CANDIDATES FOR THE ADVISORY COUNCIL. END SUMMARY.

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1. THE OFF-YEAR CONVENTION OF THE FESITRANH WAS HELD LAST WEEKEND IN SAN PEDRO SULA, BEGINNING FRIDAY MORNING AND LASTING UNTIL 0300 HOURS MONDAY. THE PLANNED COMMUNIST ATTEMPT TO TAKE OVER FESITRANH FAILED TO MATERIALIZE; WITH THE COMMUNIST-CONTROLLED DELEGATES SUPPORTING THE EXISTING BOARD AND PARTICULARLY THE LEADERSHIP OF FESITRANH PRESIDENT CELEO GONZALEZ. THE ONLY VOTE TAKEN IN THE CONVENTION WHICH BROKE DOWN ALONG COMMUNIST/DEMOCRATIC LINES WAS ON A REPORT SUBMITTED BY THE BOARD TO THE CONVENTION. THE COMMUNISTS LOST BY APPROXIMATELY THIRTY-FIVE TO SIXTY VOTES, AND THEREAFTER TURNED TO SUPPORT OF THE EXISTING LEADERSHIP. THE SPOKESMAN FOR THE COMMUNIST-CONTROLLED UNIONS, STANDARD FRUIT UNION (SUTRASFCO) PRESIDENT, NAPOLEON ACEVEDO, OPENLY SUPPORTED THE EXISTING LEADERSHIP AND CALLED FOR LABOR SOLIDARITY. NO ATTEMPT WAS MADE TO WALK OUT OF THE CONVENTION BY THE COMMUNIST-CONTROLLED UNIONS.

2. THE MAJOR FACTOR CAUSING THE CHANGE IN COMMUNIST STRATEGY AT THE CONVENTION WAS PROBABLY THE DEFEAT HANDED TO THE COMMUNIST SLATE AT THE WORKERS' BANK CONVENTION TWO WEEKS PRIOR TO THE FESITRANH CONVENTION. OF TWELVE PRINCIPAL AND ALTERNATE POSITIONS ON THE BANK BOARD, THE COMMUNISTS AND THEIR ALLIES DID NOT WIN A SINGLE SEAT. ONE OF THE COMMUNISTS' ALLIES DEFEATED FOR A POSITION ON THE BOARD WAS UNITED BRANDS UNION (SITRATERCO) PRESIDENT, LUIS THIEBAUD. THIEBAUD RE-ACTED TO HIS DEFEAT WITH PUBLIC BITTERNESS AND STOPPED JUST SHORT OF CALLING FOR GONZALEZ' OUSTER AT THE THEN UPCOMING FESITRANH CONVENTION. THIEBAUD DID NOT ATTEND THE FESITRANH CONVENTION, WHERE SITRATERCO'S CHIEF REPRESENTATIVE WAS ITS RECORDING SECRETARY, RIGOBERTO LUNA, A MEMBER OF THE PRO-PEKING WING OF THE HONDURAN COMMUNIST PARTY (PCH/C). BEGIN COMMENT: THIS WAS LIKELY A PLANNED MOVE BY THE COMMUNIST IN THAT AFTER THE WORKERS' BANK CONVENTION, THIEBAUD WAS NOT A REALLY CONTROLLABLE FORCE. END COMMENT.

3. IN ADDITION, SEVERAL RECENT GOH MOVES PROBABLY INFLUENCED THE COMMUNIST TO BACK OFF FROM THEIR PLANS TO TAKE OVER THE FESITRANH AND RELATED LABOR ENTITIES THIS YEAR. THE RECENT GOH MOVE TO FIRE THE COMMUNIST LEADERSHIP OF THE AGRARIAN REFORM INSTITUTE UNION (SITRANINA) CANNOT HELP

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BUT TO HAVE SERVED AS A WARNING. ADDITIONALLY, APPROXIMATELY A WEEK-AND-A-HALF FOLLOWING THE WORKERS' BANK CONVENTION, ACEVEDO OF SUTRASFCO WAS CALLED INTO THE MILITARY HEAD-QUARTERS AT LA CEIBA AND APPARENTLY INFORMED THAT HE WOULD NOT BE MAKING HIS PLANNED TRIP TO MOSCOW AROUND THE FIRST OF MAY. RELIABLE SOURCES INDICATE THAT SEVERAL OTHER SUTRASFCO LEADERS ALSO HAD TRIPS TO SOVIET BLOC COUNTRIES CANCELLED.

4. THE WEEKEND PRIOR TO THE FESITRANH CONVENTION, CHIEF OF STATE MELGAR MET WITH GONZALEZ, VICTOR ARTILES OF THE CONFEDERATION OF HONDURAN WORKERS (CTH) AND GUSTAVO ZELAYA OF THE TEGUCIGALPA-BASED LABOR FEDERATION (FECESITLIH). MELGAR REPORTEDLY OFFERED ANY FEASIBLE HELP TO GONZALEZ FOR THE THEN UPCOMING CONVENTION. THE OFFER WAS POLITELY TURNED DOWN AND GONZALEZ ONLY ASKED THAT THE GOH REMAIN IMPARTIAL. WHAT ROLE, IF ANY, THE GOH PLAYED AT THE CONVENTION IS AS YET UNKNOWN.

5. THE FESITRANH CONVENTION ALSO SELECTED ITS PRE-CANDIDATES FOR THE GOH'S NEW ADVISORY COUNCIL. (THE FINAL SELECTION IS TO BE MADE AT A CONVENTION OF THE CTH.) THE CONVENTION SELECTED FOUR PRINCIPALS AND TWO OTHER CANDIDATES FOR THE POSITIONS, WITH TWO OF THE CANDIDATES EXPECTED TO DROP OUT. GONZALEZ WAS NOMINATED FOR ONE OF THE REGULAR SEATS, WITH ARTILES AS HIS ALTERNATE. THE OTHER CANDIDATE FOR A REGULAR SEAT IS ACEVEDO, WITH LUNA AS HIS ALTERNATE. THE TWO CANDIDATES EXPECTED TO DROP OUT ARE RENE ZUNIGA OF THE NATIONAL RAILWAY WORKERS UNION, AND LUIS A. PORTILLO OF THE TOBACCO WORKERS. THE EFFECTS OF THIS APPARENT COMPROMISE OF THE ADVISORY COUNCIL CANDIDATES ON THE CONVENTION ARE NOT YET KNOWN.

6. BEGIN COMMENT: THE CONVENTION WAS NOTICEABLE FOR THE ABSENCE OF THE ANTICIPATED PROBLEMS. IT WOULD APPEAR THAT THE COMMUNISTS REALIZED THAT THEY COULD NOT WIN AND THUS BACKED OFF FROM THEIR ORIGINAL PLANS. WE WOULD EXPECT THAT RECENT GOH ACTIONS COULD ALSO HAVE LED THEM TO BELIEVE THAT THE GOH MIGHT REACT NEGATIVELY TO THE TAKEOVER, THUS JEOPARDIZING THEIR OVERALL GAINS IN THE LABOR MOVEMENT. IT WOULD SEEM REASONABLE TO CONCLUDE THAT THE COMMUNISTS FELT THAT THEY MIGHT WELL ADVANCE MORE BY STAYING WITHIN FESITRANH

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THAN BY WALKING OUT AND FORMING THEIR OWN FEDERATION, WHICH WOULD ALSO OPEN THEM TO GOH HARRASSMENT. WHETHER GONZALEZ AND HIS ALLIES WILL CONTINUE TO BE ALERT TO THE THREAT, AND COORDINATE AMONG THEMSELVES AS THEY DID IN THE WEEKS PRIOR TO THE CONVENTION, IS ANOTHER QUESTION. NONETHELESS, IT WOULD APPEAR THAT THEY HAVE A CLEAR MAJORITY OF THE VOTES WITHIN THE LABOR MOVEMENT AT THIS TIME AND THE "VICTORY" AT THE FESITRANH CONVENTION SHOULD REDUCE THE DANGER OF A COMMUNIST TAKEOVER IN THE NEAR TERM. END COMMENT.

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